

00567

1962/01/05

SANITIZED COPY

SECRET
EYES ONLY

5 January 1962

MEMORANDUM FOR: The Special Group

SUBJECT : Proposal for General Phoumi Nosavan

PROBLEM:

1. It is desired to induce General Phoumi Nosavan's acceptance of the West's bargaining position in Laos.

FACTS

2. General Phoumi, together with the R.L.G. has refused to accept the West's bargaining position for a settlement in Laos. This Western position includes allocating the Ministries of Defense and Interior to Souvanna Phouma and his "neutrals". The Geneva Co-Chairmen intend to invite the three Princes to Geneva for further negotiations. It is desired that Prince Boum Oum accept and be accompanied by General Phoumi--both prepared to accept the West's bargaining position.

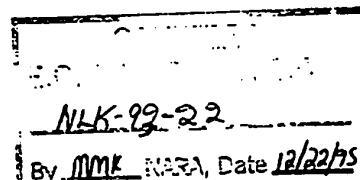
DISCUSSION

3. The Department of State has requested [REDACTED] action with General Phoumi which would be designed to accomplish one of the following three objectives:

12(a)(1)(5)

SECRET
EYES ONLY

RETYPE AT THE KENNEDY LIBRARY DUE TO THE DETERIORATION OF THE ORIGINAL)




EYES ONLY

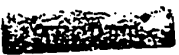
a. That General Phoumi should go to Geneva and accept the Souvanna plan for a cabinet of 19 Ministers with General Phoumi taking the Ministry of Public Works (which would include control of the Corps of Army Engineers). Strength of the Corps of Army Engineers is approximately 1,200. /

b. That General Phoumi should withdraw from the R.L.G. in favor of someone who would negotiate along those lines or

c. That we should find some other solution--presumably a coup d'etat--which would give us an R.L.G. amenable to our policy.

4. One possibility for inducing General Phoumi's agreement is a bribe to cause his acquiescence or resignation. Although General Phoumi is not known as a reformer or anti-corruption in government, our estimate of his motivation is that he is far more interested in power than he is in money. It is not therefore believed that a simple bribe would be effective. Considering the fact that General Phoumi has so far stood firm against the argument of Ambassador Brown and the threat of sanctions which he believes the United States to be prepared to go through with, this task of inducing General Phoumi's acquiescence is a very difficult one. It is believed that the best chance to accomplish

-2-


EYES ONLY

(RETYPE AT THE KENNEDY LIBRARY DUE TO THE DETERIORATION OF THE ORIGINAL)

9

[REDACTED]

EYES ONLY

it would be, after reciting to General Phoumi once again the arguments for compliance and the firm intention of the United States to go forward with sanctions to offer to lead the job of Ministry of Public Works with [REDACTED] up to \$1,000,000 which would 1.3(a)(4)(5) permit General Phoumi to use this Ministry to take care of his loyal supporters in the Royal Army Forces(FAR), to fight Communism through community development schemes, and, inevitably, to maintain his own political position. General Phoumi, who is a very volatile man, may well, as a result of these and the diplomatic pressures to which he is subjected, commence to give serious consideration to resignation. We should be quick to perceive such a trend and ready at the opportune moment to offer him funds in retirement "for the purpose of taking care of his loyal followers."

4. To bring about a coup against the present Lao Government Vientiane is not an impossibility. There are at least two Generals with good following in the FAR who might consider such an action-- Ouen Ratikoun and Kouprasith Abbay. A successful coup requires considerable time in planning and it is probable that even if such action were feasible it would not be brought about in time to meet

-3-

[REDACTED]

EYES ONLY

RETYPE AT THE KENNEDY DUE TO THE DETERIORATION OF THE ORIGINAL)

9

[REDACTED]

EYES ONLY

the State Department's requirements. A successful coup would moreover entail a very grave and unavoidable risk in that the loyalties of the Army would inevitably be fragmented and the military position of the R.L.G. so seriously weakened that the West's bargaining position would be not back to a point where the present reasonably favorable situation would no longer obtain.

RECOMMENDATIONS

5. It is recommended that:

a. [REDACTED] place as much pressure 1.3(a)(4)(5) as possible on General Phoumi to accept Souvanna Phouma's present offer and [REDACTED] offer to General Phoumi to pass to him as Minister of Public Works in the new government [REDACTED] up to \$1,000,000. Should General Phoumi show any signs of being willing to resign his present position, we would be willing to offer him substantial funds in retirement.

b. That consideration of a coup d'etat against General Phoumi be discarded for the time being since it is believed that the results of such a coup d'etat would very seriously endanger the cohesion of the Lao Army and the West's bargaining position vis-a-vis the Communists.

-4-

[REDACTED]

EYES ONLY

(RETYPE AT THE KENNEDY LIBRARY DUE TO THE DETERIORATION OF THE ORIGINAL)